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CANADA  
TUNGSTEN

MINING CORPORATION LIMITED

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*annual report*

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FOR THE YEAR ENDING DECEMBER 31st

**1964**

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# CANADA TUNGSTEN MINING CORPORATION LIMITED

## EXECUTIVE OFFICE

12 Richmond Street East, Toronto, Ont.

## BRANCH OFFICE

502 - 1200 West Pender Street, Vancouver, B.C.

## OFFICERS

F. E. HALL	-	-	-	-	-	-	-	-	-	-	<i>President</i>
J. B. REDPATH	-	-	-	-	-	-	-	-	-	-	<i>Vice-President</i>
J. J. CROWHURST	-										<i>Vice-President and General Manager of Operations</i>
D. R. McEWEN	-	-	-	-	-	-					<i>Secretary-Treasurer</i>
J. D. MUNROE	-	-	-	-	-	-					<i>Assistant Secretary</i>

## DIRECTORS

SENATOR JOHN B. AIRD	-	-	-	-	-	-	-	-	-	-	Toronto
J. M. RICHARD CORBET	-	-	-	-	-	-	-	-	-	-	Toronto
F. E. HALL	-	-	-	-	-	-	-	-	-	-	Toronto
WALLACE MACGREGOR	-	-	-	-	-	-	-	-	-	-	New York
HARRY S. MCGOWAN	-	-	-	-	-	-	-	-	-	-	Toronto
JOHN PAYNE, JR.	-	-	-	-	-	-	-	-	-	-	New York
JAMES B. REDPATH	-	-	-	-	-	-	-	-	-	-	Toronto

## TRANSFER AGENTS AND REGISTRARS

EASTERN & CHARTERED TRUST COMPANY  
1901 Yonge Street, Toronto, Ont.

## BANKERS

CANADIAN IMPERIAL BANK OF COMMERCE  
Toronto and Vancouver

## AUDITORS

DELOITTE, PLENDER, HASKINS & SELLS  
55 Yonge Street, Toronto, Ont.



# CANADA TUNGSTEN MINING CORPORATION LIMITED

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## Directors' Report to the Shareholders

Your Directors submit herewith the Annual Report of your Company, together with your General Manager's Report and the Financial Statements, with the Auditors' Report thereon, as at December 31, 1964.

It is gratifying to inform you that your Company is again operational. Mining was resumed last June and the mill put in operation toward the end of September. Tungsten concentrates of acceptable quality are currently being produced and shipped to customers in Europe and the U.S.A.

It may be well to recall that when in mid-year 1963 it was decided that it was in the best interests of the Company to suspend operations, the market for tungsten was severely depressed by reason of dumping of the metal on world markets by the Sino-Soviet bloc at politically inspired pricing. This had depressed world quotations from \$18.00 per short ton unit to \$8.00, a marketing situation with which we could not cope and which was accentuated by the metallurgical problem in producing the high-quality product sought by the market.

Subsequently the supply situation has stabilized and world prices have improved markedly. In the Spring of 1964 it was considered that the outlook was sufficiently encouraging to make preparations to resume operations. This decision was predicated on successful negotiations with major European and U.S.A. users

which resulted in long and short term contracts for the sale of the major portion of the production. While the prices provided in these contracts are below recent spot levels, your Directors believe that, because of the long-term continuing volatility of the tungsten market, and having consideration for the present financial obligations of the company, it is sound policy to provide for assured sale at reasonable prices of a substantial part of the production. After reaching a peak of \$28.00 per short ton unit in January, 1965 spot prices had declined to \$16.80 at the date of this report.

During June, supplies, equipment and personnel were transported to the mine, and open pit mining was resumed for the summer season. Some 53,612 tons of waste and overburden were stripped from the orebody and 59,764 tons of ore were broken, hauled to the concentrator, crushed and stockpiled. Additionally 10,400 tons of broken ore which had been left in the pit were also removed and crushed. All of this was added to the stockpile of 50,836 tons of crushed ore which remained from the previous operation. By year-end the mill had treated 33,543 tons of ore, averaging 2.57% WO<sub>3</sub>, during 1964.

During the period when the operation was shut down and the question of re-opening was under consideration, extensive metallurgical tests were carried out with a view to improving

**CANADA**  
**TUNGSTEN**  
**MINING CORPORATION LIMITED**

mill recovery and product quality. These tests indicated the need for additional mill equipment. The installed new equipment has brought about a number of beneficial changes in the mill circuit which in actual operation have resulted in a greater flexibility in the production of high-grade gravity concentrates. Efforts are now being directed to the improvement of the flotation circuit and our technical staff express confidence that these problems will be overcome in due course.

The operation to date has been confronted with both market and technical problems, such as beset most early stage mining operations. Nevertheless, your Directors feel that the Company can look forward with confidence to the future, keeping in mind the fact that the ore-body ranks among the highest grade in world tungsten producers. It should also be noted that Dome Mines Limited, Falconbridge Nickel Mines Limited, and American Metal Climax, Inc. have accorded substantial financial assistance to the Company in reactivating the operation.

It was with great regret that your Directors, on January 15, 1965, accepted the resignation

of Mr. K. J. Springer as President and Director of the Company. Mr. Springer was the founder of your Company and his guidance in bringing the enterprise to production will always be appreciated.

Mr. Fred E. Hall, formerly Secretary-Treasurer of the Company, was elected a Director and assumed the office of President on January 15, 1965. Mr. Hall's experience in Canadian Mining and his role in the formulation of your Company will provide the continuity and knowledge necessary for the carrying forward of this business.

We wish also to express our appreciation to Mr. J. J. Crowhurst and his staff for the efficient manner in which the mine was re-opened and the mill made ready for the resumption of production.

On behalf of the Board,

F. E. HALL,  
President.

March 25th, 1965.



## BALANCE SHEET

## ASSETS

## CURRENT:

Cash .....	\$	25,399
Accounts receivable .....		407,766
Insurance claims receivable .....		21,000
Inventory of concentrates — valued at the lower of cost or net realizable value (Note 3) .....		395,198
		<u>849,363</u>

## FIXED:

Mining property — at cost .....		125,000
Buildings, machinery and equipment — at cost .....	\$2,908,839	
Less allowance for depreciation .....	78,903	2,829,936
		<u>153,102</u>
Airstrip and roads — at cost .....		3,108,038

## OTHER:

Prepaid expenses .....		4,932
Inventory of supplies — at cost .....		127,810
Development, preproduction and administrative expenses, net — Exhibit B .....		4,020,898
Unamortized debenture discount .....		721,000
Incorporation expense .....		2,835
		<u>4,877,475</u>

TOTAL .....	\$8,834,876
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The accompanying notes are an integral part of this balance sheet.

## AUDITORS' REPORT

## To the Shareholders of Canada Tungsten Mining Corporation Limited:

We have examined the balance sheet of Canada Tungsten Mining Corporation Limited, development, preproduction and administrative expenses for the year ended December 31, 1964, and the related accounting procedures and such tests of accounting records and other matters as we considered necessary.

In our opinion the accompanying balance sheet and statement of financial position of the company as at December 31, 1964 and the results of operations for the year ended December 31, 1964, are in accordance with the generally accepted accounting principles applied on a basis consistent with the accounting policies of the company.

Toronto, Ontario  
March 2, 1965.

(Incorporated under the Corporations Act, Ontario)

*as at December 31, 1964*

**LIABILITIES**

**CURRENT:**

Bank loans (Note 2) .....	\$ 785,000
Accounts payable and accrued charges .....	225,413
Accrued wages payable .....	26,007
6% demand notes payable and accrued interest .....	1,056,557
	<u>2,092,977</u>

**LONG-TERM DEBT (Note 1):**

6% debentures maturing December 31, 1971 .....	2,680,000
Debenture interest accrued .....	482,400
	<u>3,162,400</u>

**CAPITAL STOCK:**

Authorized:

5,000,000 shares of \$1 par value each

Issued and fully paid:

4,945,000 shares .....	4,945,000
Less discount .....	1,365,501

3,579,499

Approved on behalf of the Board:

F. E. HALL, Director.

J. B. REDPATH, Director.

**TOTAL** ..... \$8,834,876

al part of the financial statements.

ing Corporation Limited as at December 31, 1964 and the statement of  
ed on that date. Our examination included a general review of the  
supporting evidence as we considered necessary in the circumstances.

velopment, preproduction and administrative expenses present fairly the  
of its operations for the year ended on that date, in accordance with  
that of the preceding year.

DELOITTE, PLENDER, HASKINS & SELLS,  
Chartered Accountants.



**CANADA**  
TUNGSTEN  
**MINING CORPORATION LIMITED**

EXHIBIT B

*Statement of Development, Preproduction and  
Administrative Expenses*

For the Year Ended December 31, 1964

BALANCE, DECEMBER 31, 1963 .....		\$4,061,937
Less net proceeds from sale of concentrates on hand at December 31, 1963 (Note 3) .....		790,901
		<u>3,271,036</u>
EXPENSES:		
Milling .....	\$ 416,178	
Mining and stock piling .....	88,629	
Stand-by and reactivation .....	68,028	
General and administrative .....	228,167	
Loss on sale of equipment .....	89,923	
Interest on bank loans and notes payable .....	98,584	
Debenture interest .....	160,800	
Amortization of debenture discount .....	103,000	
Metallurgy .....	27,369	
	<u>1,280,678</u>	
Less:		
Net proceeds from sale of concentrates produced during the year .....	135,618	
Inventory of concentrates on hand December 31, 1964 .....	395,198	
	<u>530,816</u>	
Net expenses .....		749,862
BALANCE, DECEMBER 31, 1964 .....		<u>\$4,020,898</u>

The accompanying notes are an integral part of the financial statements.

*Notes to Financial Statements*

December 31, 1964

1. The 6% debentures, maturing December 31, 1971, are payable before maturity out of profits as provided in the debentures. Interest thereon is payable only out of profits as defined in the debentures.
2. Bank loans are partly secured by accounts receivable, and are guaranteed by the holders of the company's 6% debentures.
3. The inventory of concentrates on hand at December 31, 1963 was not valued because of market conditions existing at that time. Net proceeds from the sale of these concentrates during the year were deducted from the balance of development, preproduction and administrative expenses at December 31, 1963.



# CANADA

TUNGSTEN

## MINING CORPORATION LIMITED

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### Report of the General Manager

The President and Directors,  
Canada Tungsten Mining Corporation  
Limited,  
Suite 225 - 12 Richmond Street East,  
TORONTO 1, Ontario.

Dear Sirs:—

I submit herewith a report covering operations during 1964 at the Company's property in the Northwest Territories.

#### Metallurgical Investigation

During the Spring of 1964 extensive metallurgical investigations were completed. This work was directed principally towards increasing mill recovery and improving product quality. Test work was conducted at various laboratories in conjunction with a review of 1963 metallurgy. Results indicated that moderate additions to the concentrator were required.

#### Resumption of Operations

Mr. R. F. Lambert was appointed Resident Manager in May and the camp was re-opened in early June as soon as road break-up conditions permitted.

The necessary extra mill equipment was purchased and installed during July and August. Operation of the concentrator recommenced in September, 1964.

#### Concentrator

The concentrator treated 33,543 tons of ore averaging 2.57%  $WO_3$  by the end of the year. A satisfactory grade of gravity concentrate was produced. Problems still existed in connection with the flotation circuit but these are being ironed out.

#### Open Pit

A total of 53,612 tons of waste and overburden were stripped from the orebody to permit extraction of 59,764 tons of ore assaying 2.56%  $WO_3$ . This ore and the 10,400 tons of previously broken ore which was left on the pit floor during 1963 was hauled to the concentrator, crushed and stockpiled with the 50,836 tons of previously stockpiled ore.

#### Conclusion

Appreciation is expressed to Mr. R. F. Lambert, Resident Manager, and his staff, concerning the rapid and efficient manner in which operations were re-initiated.

Respectfully submitted,

J. J. CROWHURST,  
General Manager.

VANCOUVER, B.C.,  
February 19, 1965.







